

SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING

August 17, 2007

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard

South Bend, Indiana

1. ROLL CALL

Members Present:

Ms. Marcia Jones, President
Mr. Karl King, Vice President
Mr. Greg Downes, Secretary
Mr. Hardie Blake, Jr.
Mr. Ken Peczkowski

Legal Counsel:

Mr. Charles S. Leone, Esq.
Mr. Shawn Peterson

Redevelopment Staff:

Mr. Don Inks, Director
Mr. Jeffrey V. Gibney, Executive Director
Mrs. Cheryl Phipps, Recording Secretary
Mr. Andrew Laurent, Economic Development Specialist
Ms. Jennifer Laurent, Economic Development Specialist
Mr. Nicholas Witwer, Economic Development Specialist

Others Present:

Mayor Stephen Luecke
Mr. Tom Price, Mayor's Office
Ms. Debrah Jennings, Property Manager
Ms. Pamela Meyer, Director, Community Development
Mr. Jeff Vitton, Community Development
Mr. George Adler, Community Development
Mr. Marco Mariani, Downtown South Bend
Mr. Jitin Kain, Downtown South Bend
Ms. Jamie Loo, South Bend Tribune
Ms. Rita Kopala
Mr. George Cressy, Grubb & Ellis Cressy & Everett
Mr. Rick Doolittle, Grubb & Ellis Cressy & Everett
Ms. Sheral Litell, Grubb & Ellis Cressy & Everett
Mr. Brad Toothaker, CB Richard Ellis
Mr. David Vollrath

2. APPROVAL OF MINUTES

A. Approval of Minutes of the Regular Meeting of Friday, August 3, 2007.

Upon a motion by Mr. Downes, seconded by Mr.
Blake and unanimously carried, the Commission

COMMISSION APPROVED THE MINUTES OF THE
REGULAR MEETING OF FRIDAY, AUGUST 3,
2007

South Bend Redevelopment Commission
Regular Meeting –August 17, 2007

2. APPROVAL OF MINUTES (CONT.)

A. continued...

approved the Minutes of the Regular Meeting of
Friday, August 3, 2007.

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted August 17, 2007 for approval.

324 AIRPORT AEDA

Meridian Title Corp.	53,637.29
Ken Herceg & Associates, Inc.	23,806.00
Abonmarche Consultants of Indiana L.L.C.	3,445.50
J & L Management	14,500.00

414 SAMPLE EWING GENERAL

Indiana Michigan Power	6.88
Hull & Associates, Inc.	3,792.50

420 FUND TIF DISTRICT-SBCDA GENERAL

Ampco System Parking	870.27
ADG	3,647.47

426 FUND MEDICAL DISTRICT TIF

Trans Tech Electric	44,609.50
Trans Tech Electric	29,405.00

428 FUND AIRPORT 2003 BOND

J & L Management	14,500.00
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\$ 192,220.41

Upon a motion by Mr. Downes, seconded by Mr. King
and unanimously carried, the Commission approved the
Claims submitted August 17, 2007, and ordered checks
to be released.

COMMISSION APPROVED THE CLAIMS
SUBMITTED AUGUST 17, 2007, AND ORDERED
THE CHECKS TO BE RELEASED

4. COMMUNICATIONS

There were no Communications.

THERE WERE NO COMMUNICATIONS

5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

6. NEW BUSINESS

A. South Bend Central Development Area

**(1) Commission approval requested for
Strategy for Downtown Development.**

Mayor Luecke noted that when Jeff Gibney was appointed Interim Director of Community & Economic Development it was with the intent that we bring new energy and new focus to our redevelopment efforts all across town. We have certainly seen that. One of the areas we wanted to be very specific in planning for was the downtown. We wanted to do more than just plan for streetscape amenities; we wanted to develop a strategy for getting desired new uses into the downtown, particularly. Jeff has led a strong effort in consultation with interested parties in the downtown and east bank areas. We want to bring before you a report on priorities for use of TIF funds to leverage development.

Mr. Gibney noted that the Commissioners have reviewed a draft of the downtown strategy. He also noted that the budget process for 2008 includes, for the first time, the TIF investments in the redevelopment target areas. The first TIF budget we have submitted is for downtown South Bend. As staff put together this plan over the last six months some guiding principles were used. Staff defined its vision for downtown, what its themes are, and then some guidelines for setting priorities.

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(1) continued...

Today, staff requests approval of its work plan. Not approval for a budget, but agreement about where staff should use its resources. This is a work plan for 2007 through 2009.

Mr. Gibney reminded Commissioners that in the budget for downtown TIF there are items that are already in process, for example, there is a developer interested in the old Studebaker Administration Building. The city's involvement and a potential TIF investment is to construct a parking lot adjacent to that building once the current owner makes a substantial investment in the façade.

We have already committed to spend TIF on the historic façade at 101 N. Michigan, the All American Plaza.

The city has committed TIF funds to the KeyBank project by improving the plaza at the southeast corner of Jefferson and Michigan.

The city has reserved funds for a parking garage at the corner of St. Joseph and Jefferson. We hope to have a proposal at the next meeting for a hotel at that site.

We are proceeding with the first phase of a comprehensive and strategic plan for the East Bank Phase I. These are projects that are already committed to that are included in this strategy, TIF budget and presentation.

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(1) continued...

New items on the list follow.

- Substantial improvements to Michigan St. from Western to LaSalle St. It is the main pedestrian street in downtown South Bend and is in need of repair and a major upgrade. Given the time of year, we'll do some patch and repair work for safety purposes yet this year; and then we'll do design work and get input from the merchants before making major improvements in 2008.
- In addition to that, we'd like to see a little more green space in downtown if at all possible. We've identified a potential site for a small town plaza in front of the Football Hall of Fame and, if we can get some support from TCU, maybe create some sort of ornamental roofed enclosure that still allows parking throughout the week, but also has enclosed space for events that we're holding in downtown South Bend. The city spends up to \$25,000 per season to rent tents for those events. We think that could be a wise investment.
- We want to do something with the block that includes the Fat Daddies outlet. There are four buildings in the block. It's very substandard. It makes a poor entrance to the downtown when coming from the south. We want to study the block, looking at either preservation or demolition. If we would demolish it, we would put together a strategic plan that shows how a developer could use the site,

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(1) continued...

what kind of square footage it would contain, what kind of parking in the back..

- The Gates Chevrolet campus. It's been in the paper that Gates is beginning to move some of their sales operations to the Ireland Road area. Phase I is that the city look at the old Sears building and the adjacent parking lot. Controlling this site could be an opportunity to consider a new entrance orientation to the city-owned Coveleski Stadium. The current orientation is difficult to find for out of town visitors. It would be our intent to bring in the original architects who designed the stadium to design the new entrance and layout. They are doing a lot of work all over the country with sports facilities and integration and stimulation for economic development.
- We would love to calm traffic in downtown South Bend, particularly on St. Joseph Street and Main Street. Although there is not money right now to turn those streets into two-way streets, we have been discussing parking on those streets and construction of landscaped median strips on St. Joseph Street in front of Century Center.
- We are talking about completing an historic tour walkway from downtown to the new museum campus with the potential relocation of one or two significant historic buildings that are isolated in terms of location. We would purchase them, move them, and sell them

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(1) continued...

so that the corridor from one end of the downtown out to the museum would have the finest collection of “pre-turn of the century” architecture that we have in the community.

- Lastly, we propose to participate in the Rushton Apartment Building on the northwest corner of William and Washington St. It has been abandoned for about four years. Historic Landmarks Foundation has receivership on the property. They’ve repaired the roof and cleaned out the inside, but there is a serious problem with back taxes, equal to the cost of demolition. We think it is prudent that we ask for back taxes to be forgiven, or pay the back taxes, so that development can proceed.

These are examples for a plan for investment of TIF dollars in downtown South Bend. The staff thinks these are good investments in development that the private sector will need the public sector involved in.

Mr. Gibney asked for Commission support of the plan and the concept. He noted that the budget that is attached is estimated and for discussion purposes. However, it is a “smart budget” resulting from research and based in reality.

Mr. King clarified the request to the Commission, that staff is looking for approval of the concept, but each project, each item of work and expenditure will come

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(1) continued...

back for specific approval of that action. Mr. Gibney responded that Mr. King was correct.

Mr. Gibney noted that staff intends to do the same thing for the Airport area and the TIF funds that are available there.

Mr. Peczkowski asked if the thirteen projects are listed in order of priority. Mr. Gibney responded that they are not ranked by priority.

Mr. King expressed his approval. Previous plans were high level conceptual, some of them bordering on wishful thinking. Though the projects might have been nice to have, they didn't connect well with available resources. What he likes about this is that it's a plan with a series of action steps that connect to availability of time, property and other resources necessary to make this actually happen. It's a practical work plan.

Mr. Downes echoed Mr. King's comments, saying it is truly comprehensive and long term. He liked that it sets priorities, yet it has flexibility built into it and it is fiscally responsible.

Mr. King made a motion to approve the conceptual strategy for downtown South Bend presented by staff. Mr. Downes seconded the motion. The vote was four in favor. Mr. Peczkowski abstained.

COMMISSION APPROVED THE CONCEPTUAL
STRATEGY FOR DOWNTOWN SOUTH BEND AS
PRESENTED BY STAFF

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

- (2) Filing of Resolution No. 2374 amending the South Bend Central Development Area Development Plan and setting a public hearing for 10:00 a.m., September 7, 2007 on Resolution No. 2374. (Adding 503 and 513 S. Michigan St. to the acquisition list, Fat Daddies Outlet and Beebe Cabinet Co.)**

Mr. Inks noted that after having the downtown strategy approved, staff would like to begin the first action step in that strategy. That would be to add properties in the Fat Daddies block to the acquisition list. That action requires an amendment to the Development Plan and a public hearing on the matter. The public hearing will be 10:00 a.m., September 7, 2007.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission accepted for filing Resolution No. 2374 amending the South Bend Central Development Area Development Plan and setting a public hearing for 10:00 a.m., September 7, 2007 on Resolution No. 2374.

COMMISSION ACCEPTED FOR FILING
RESOLUTION NO. 2374 AMENDING THE SOUTH
BEND CENTRAL DEVELOPMENT AREA
DEVELOPMENT PLAN AND SETTING A PUBLIC
HEARING FOR 10:00 A.M., SEPTEMBER 7, 2007
ON RESOLUTION NO. 2374.

- (3) Commission approval requested for proposal for professional services in the South Bend Central Development Area. (Appraisals, Fat Daddies Outlet and Beebe Cabinet Co., 503 and 513 S. Michigan St.)**

Mr. Inks noted that at the time we add properties to the acquisition list, we establish a value for the property. These appraisals would provide that value.

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(3) continued...

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the request for proposals for appraisal services and accepted the proposals from R.E. McCloskey and R.E. Pitts for the scope of services and fee proposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSALS FOR APPRAISAL SERVICES AND ACCEPTED THE PROPOSALS FROM R.E. MCCLOSKEY AND R.E. PITTS FOR THE SCOPE OF SERVICES AND FEE PROPOSED

(4) Commission approval requested for Resolution No. 2342 related to acquisition of property in the South Bend Central Development Area. (Setting the acquisition price for KeyBank Plaza)

Ms. Laurent noted that on April 6, 2007, the Commission approved a Memorandum of Understanding outlining negotiated points of a development partnership with the Hinman Company, owner of the KeyBank Tower in the South Bend Central Development Area. The MOU outlined a means by which, in support of the project, the Redevelopment Commission would purchase the plaza area and improve it to make a usable and attractive green space in the downtown. Resolution No. 2342 sets the offering price for purchase of the KeyBank Plaza at \$156,000, the average of two MAI appraisals. Staff requests approval of the resolution.

Mr. King made a motion to approve Resolution No. 2342 related to acquisition of property in the South Bend Central Development Area. Mr. Downes seconded

COMMISSION APPROVED RESOLUTION NO. 2342 RELATED TO ACQUISITION OF PROPERTY IN THE SOUTH BEND CENTRAL DEVELOPMENT AREA

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(4) continued...

the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

(5) Commission approval requested for Resolution No. 2369 approving and accepting a counter offer from and a Contract of Purchase and Sale with Key S.B., L.L.C. and other related matters.

Ms. Laurent noted that Resolution No. 2369 outlines a negotiated counter-offer from the Hinman Company for the KeyBank Plaza and approves a Contract for Purchase and Sale of Property finalizing terms of the project.

The approved MOU outlined a total investment on the Commission's part of \$400,000 in the project. A purchase price of \$200,000 was agreed to, in consideration of the value of the property as well as amortized maintenance and taxes that would be assumed by the Developer in a lease-back scenario. In addition, the Commission committed to put \$200,000 toward improvements to the Plaza.

The counter offer proposes a purchase price for the Plaza of \$400,000 and releases the Commission of its additional \$200,000 capital expenditure on Plaza improvements, obligating the Developer to construct the agreed upon improvements and finalizing the sale only upon completion of the work. Staff and legal counsel feel that this proposal is mutually beneficial in efficiently advancing

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(5) continued...

the project while maintaining the spirit of the agreed upon terms. Staff recommends approval.

Mr. King made a motion to approve Resolution No. 2369 approving and accepting a counter offer from and a Contract of Purchase and Sale with Key S.B., L.L.C. Mr. Downes seconded the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED RESOLUTION No. 2369
APPROVING AND ACCEPTING A COUNTER OFFER
FROM AND A CONTRACT OF PURCHASE AND
SALE WITH KEY S.B., L.L.C.

**(6) Commission approval requested for
Authorization for Entry Upon and the
Temporary use of public property located
within the South Bend Central
Development Area. (Rockne Plaza by
DTSB for Football Fridays)**

Ms. Jennings noted that DTSB wishes to use Rockne Plaza for several parties in the fall in connection with Notre Dame home games. They would need the area from 6:00 a.m. Friday to 12:00 p.m. Saturday on the following weekends: August 31, September 21, October 12, October 19, November 9 and November 16, 2007. The actual events will take place from 7:00 p.m. to 10:00 p.m. Friday nights. No sidewalks will be blocked in the daytime. The east sidewalk will be blocked Friday evening during the actual event.

The authorization stipulates that the property will be restored to its previous condition and that DTSB will comply with all laws and

6. NEW BUSINESS (CONT.)

A. South Bend Central Development Area

(6) continued...

rules for such events. DTSB has provided proof of insurance and indemnification to the Commission. Staff recommends approval.

Mr. Peczkowski asked what the item in the budget was in 2005 and 2006 for the tent parties when \$20,000 was transferred to the Hall of Fame. If we agree to this request, are we agreeing to this transfer of funds? And what is it for and why is it taking place?

Mr. Inks responded that the use of those funds is not part of this request *for use of the property* for these events. We are not tacitly, nor in any way, approving anything other than the use of our property.

Mr. Downes made a motion to approve the Authorization for Entry Upon and the Temporary Use of Public Property by Downtown South Bend Inc. for Football Fridays events on the specified dates and times August through November 2007. Mr. King seconded the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED THE AUTHORIZATION FOR ENTRY UPON AND THE TEMPORARY USE OF PUBLIC PROPERTY BY DOWNTOWN SOUTH BEND INC. FOR FOOTBALL FRIDAYS EVENTS ON THE SPECIFIED DATES AND TIMES AUGUST THROUGH NOVEMBER 2007

B. Airport Economic Development Area

(1) Commission approval requested for proposal for board-up services in the Airport Economic Development Area. (Goerke property, 1629 Knoblock)

Mr. Witwer noted that the Commission purchased 1629 Knoblock at its last meeting.

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

(1) continued...

The previous owner was allowed to remove some things from the house before closing. One of the things he took was some new windows he had put in, so we needed to do an emergency board up of the house immediately after closing. We don't have an invoice for the work yet. Staff recommends approving a not-to-exceed amount of \$500.

Upon a motion by Mr. Downes, seconded by Mr. Blake and unanimously carried, the Commission approved the emergency board-up and authorized payment of not-to-exceed \$500 for those services.

COMMISSION APPROVED THE EMERGENCY BOARD-UP AND AUTHORIZED PAYMENT OF NOT-TO-EXCEED \$500 FOR THOSE SERVICES

(2) Staff report on disposition of property in the Airport Economic Development Area. (Cressy option agreement for Blackthorn Corporate Park)

Mr. Inks noted that the Option Agreement includes all of the lots for sale in the Blackthorn Office Park. It is a five-year agreement with five-year renewal options. Those renewal options are subject to purchase of 25% of the available acreage during each five-year period. So, in five years if 25% of the acreage is acquired Cressy has an automatic option renewal of five years should they elect that. There is an option fee of \$100,000 which is credited against future purchases. The option price is 75% of the list price. As the Commission has negotiated sales in this area in the past, the typical sales price has been close to 75% of the list price.

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

(2) continued...

Mr. Inks noted that originally the Commission set out to list properties in the AEDA (Blackthorn Corporate Office Park, in particular) to better market and stimulate new development in that area. When Cressy expressed interest, we realized their potential as an office park developer, but having them as our listing agent would preclude them from a development role in the corporate office park. To resolve that, an option agreement was the preferred route. That gives them both the ability to market the property and to act as a developer for the property.

Mr. Doolittle stated that their earlier presentation on their capability for marketing Commission property identified their entire marketing strategy, including an interactive Web site with links to different economic development parts of the city, a video in e-mailable form, and taking a new look at the master plan with the intent of adjusting it to better suit today's market. All of those promises and commitments are part of this Option Agreement, along with timeframes to perform them. Cressy & Everett is eager to get started.

Ms. Jones asked for a short example scenario to clarify the way the option extensions would work. Mr. Doolittle responded that the \$100,000 option is a non-refundable deposit with earn-backs. It's predicated on a benchmark of minimum successes. Their commitment is to sell or develop or take

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

(2) continued...

down at least 25% of the available ground. In as much as the entire Option Agreement benchmark is based on 50% takedown, selling 25% of the ground would earn back 50% of the option deposit. So, if we were to sell 50% of the ground in the first five years, we'd earn back 100% of the option deposit.

Mr. Peczkowski asked about the ethics of Mr. Doolittle contacting the Commissioners individually at home about the Option Agreement. He felt uncomfortable since the Commission has been asked to be more transparent about its dealings on the Commission. Mr. Peczkowski stated that he has not seen the Option Agreement. In order to establish the trust and transparency that the Commission has been asked to give, this should be tabled until it has had an adequate sense of what the agreement contains.

Mr. Inks noted that the Commission has seen a prior version of the document. The final version is very close to that earlier version. We are anxious to have Cressy get started marketing the land, but if the Commission desires to table the item for further review, it can do so.

Mr. Blake asked if Cressy decides to develop the property, do they get the marketing percentage? Mr. Doolittle responded that there would be no sales fee if they developed it themselves.

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

(2) continued...

Mr. Downes made a motion to approve the Option Agreement with Cressy & Everett for development of Blackthorn Corporate Park.

Mr. Peczkowski asked about the procedure for getting a motion on the floor to table the item.

Ms. Jones then asked the other Commissioners if they were comfortable taking action on this item now or if they needed more time.

Mr. Blake asked if the staff was comfortable with the option process from having used it in the past. Mr. Inks responded that the Commission has not used the option agreement in the past. It has had listing agreements only. But staff has had opportunity to study the issue and is comfortable with the process that has been set out in this agreement.

Mr. Gibney also responded. He has been working with Cressy & Everett on the concept for this Option for more than three months. The reason he thought it was important, progressive and aggressive is that Blackthorn began in 1991. It is one of the most attractive plots of land we have in the City of South Bend. However, 60% of the land remains unsold. He felt that it was important to forge partnerships with the private sector, allowing them to do what they do best. An option agreement is an aggressive way to advance this project. We

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

(2) continued...

really need for it to be 100% developed.

Ms. Jones also asked legal counsel for their opinion on whether he is comfortable with the option agreement as written. Mr. Gibney responded that the document was prepared by outside legal counsel, Richard Nussbaum II.

Mr. Peczkowski stated that he still objects. It is counter-democratic. The fact that we previously had an agreement that expressed the possibility of an option agreement is not enough. Asking a person to sign off on something which he has not seen... He has not seen paperwork on this item. He would like to see the text of the agreement. He felt that this smacks of backroom dealing and of trying to manipulate a Commission by private meetings, which he thinks flies in the face of the transparency that is the buzzword in politics right now.

Mr. King seconded the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED THE OPTION AGREEMENT WITH CRESSY & EVERETT FOR DEVELOPMENT OF BLACKTHORN CORPORATE PARK

(3) Filing of Resolution No. 2375 amending the Airport Economic Development Area Development Plan and setting a public hearing for 10:00 a.m., September 7, 2007 on Resolution No. 2375. (Adding vacant LaSalle Square properties and former Eckler-Lahey properties on Franklin to the acquisition list)

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

(3) continued...

Mr. Witwer noted that there are three properties in LaSalle Square that we wish to acquire. Two are owned by River of Life church; the other is owned by the IU Foundation. These properties would help us continue our planning efforts for LaSalle Square. The other property is located in the Studebaker Corridor near Franklin and Sample Streets.

Mr. King made a motion to accept for filing Resolution No. 2375 and set a public hearing on Resolution No. 2375 for 10:00 a.m., September 7, 2007. Mr. Downes seconded the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION ACCEPTED FOR FILING
RESOLUTION NO. 2375 AND SET A PUBLIC
HEARING ON RESOLUTION NO. 2375 FOR
10:00 A.M., SEPTEMBER 7, 2007.

(4) Commission approval requested for proposals for professional services in the Airport Economic Development Area. (Title work, LaSalle Square vacant properties)

Mr. Witwer noted that this request of to get title work on the properties just described that we want to add to the AEDA acquisition list. Meridian Title submitted a proposal in the amount of \$800. Staff recommends accepting the proposal.

Mr. Downes made a motion to approve the request for professional services in the Airport Economic Development Area and to accept the proposal from Meridian Title for the scope of services and fee proposed. Mr. Blake seconded the motion. The motion

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

(4) continued...

carried on a vote of four to one with Mr. Peczkowski opposed.

(5) Commission approval requested for proposal for professional services in the Airport Economic Development Area. (Appraisals, LaSalle Square vacant properties)

Mr. Witwer noted that proposals have been received from Jerome E. Michaels, R.E. Pitts and Ralph Lauver to appraise the same properties noted above. The proposals were for \$3,000, \$2,600 and \$3,250 respectively. Two appraisals are needed. Staff recommends accepting the proposals from Jerome Michaels and Rick Pitts for a total not to exceed \$6,000.

Mr. King made a motion to approve the request for proposals and to accept the proposals from R.E. Pitts and Jerome E. Michaels for the scope of services proposed and a total amount not to exceed \$6,000. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL FOR PROFESSIONAL SERVICES AND ACCEPTED THE PROPOSALS FROM R.E. PITTS AND JEROME E. MICHAELS FOR THE SCOPE OF SERVICES PROPOSED AND A TOTAL AMOUNT NOT TO EXCEED \$6,000

(6) Staff report on disposition of property in the Airport Economic Development Area. (Property in U.S. 31 Industrial Park and related properties)

Mr. Witwer noted that staff has been negotiating with REW LLC through Grubb & Ellis Cressy & Everett over the course of about six months for the sale of property in

6. NEW BUSINESS (CONT.)

B. Airport Economic Development Area

- (6) **continued...**
the U.S. Industrial Park.

Mr. Inks noted that Lot 1 is our last lot in the U.S. Industrial Park. It is land-locked. The four other parcels are half-acre residential sites on Brick Road that have limited development potential. REW owns other land in the area, some of which we would like for the realignment of Dylan Drive. Sale of this land to REW would give them two developable parcels and the City can get the right-of-way it needs for Dylan Drive. It's a win-win situation for both parties.

Grubb & Ellis Cressy & Everett has submitted a Letter of Intent on behalf of REW, LLC for that property for a purchase price of \$150,000. Staff believes the offer is fair and recommends accepting Letter of Intent.

Upon a motion by Mr. King, seconded by Mr. Blake and unanimously carried, the Commission accepted the Letter of Intent from Grubb & Ellis Cressy & Everett on behalf of REW LLC for Lot 1 in the U.S. Industrial Park and four Brick Road properties.

COMMISSION ACCEPTED THE LETTER OF INTENT FROM GRUBB & ELLIS CRESSY & EVERETT ON BEHALF OF REW LLC FOR LOT 1 IN THE U.S. INDUSTRIAL PARK AND FOUR BRICK ROAD PROPERTIES

C. West Washington-Chapin Development Area

There was no business in the West Washington-Chapin Development Area.

6. NEW BUSINESS (CONT.)

D. South Side Development Area

- (1) Commission approval requested for Resolution No. 2373 approving and accepting a counter offer for the acquisition of property in the South Side Development Area. (4223 S. Main St., Caroline Partners, LLC)**

Mr. Witwer noted that Caroline Partners LLC has submitted an offer for 4223 S. Main St. Resolution No. 2345, approved on June 8, set the acquisition value as \$65,500. The negotiated counter offer meets several planning goals for the South Side Development Area.

The offer includes: (1) A purchase price of \$65,500 for 4223 S. Main, but in lieu of cash, payment would be made by the city demolishing buildings owned by Caroline Partners LLC in the project area; (2) transfer of properties not needed for the Main/Lafayette crossover project to Caroline Partners (portions of 4201, 4209, 4223, and 4309 S. Main); (3) transfer of excess property related to the West Ireland Road project at 201 W. Ireland Rd.; (4) coordination of the Lafayette St. vacation and transfer of excess property related to the West Ireland Rd project. Staff requests approval of Resolution No. 2373.

Mr. Peczkowski asked what the current status is of parcels 4215, 4219, 4225, and 4236 that have not been acquired. Mr. Witwer responded that staff is still in negotiation for those properties.

6. NEW BUSINESS (CONT.)

D. South Side Development Area

(1) continued...

Mr. Peczkowski asked what was paid for 4209, 4309 and 4323. Mr. Inks responded that that information was not brought to the meeting. Staff can provide it later.

His point is that when the Commission first saw this proposal it included clause one where they wish to trade \$65,500 for demolition services. Now all of a sudden there's other property thrown in. How much of these five lots is Caroline Partners getting? It looks like they are close to having a monopoly on that area from Metalmation to Ireland Road. Mr. Witwer responded that he doesn't have a map of the proposed Main/Lafayette crossover. A substantial amount of those properties will be used for right-of-way. The amount of property Caroline Partners will receive from those lots is minimal and of use to no one else but the adjacent property owner.

Mr. Peczkowski asked what the ultimate use of these little parcels will be. Mr. Inks responded that the exact location of the Main/Lafayette crossover has not yet been designed. Preliminary drawings show the general path of it. We've been acquiring property on the basis of those preliminary drawings. To get full plans from the engineer typically costs about 70% of the project cost, so what we've been operating on is something pretty good generally, but is not exact. We've been acquiring property based on what we've seen. This property, 4223, sits almost in the heart of the

6. NEW BUSINESS (CONT.)

D. South Side Development Area

(1) continued...

Main/Lafayette crossover as it's currently configured. It will be used for the project almost in its entirety. Because of the sweeping nature of the curve, there will be some remainder parcels. This agreement doesn't call for an immediate transfer of the properties. The document today anticipates that once those final designs are done and the remainder parcels are identified, then they would be conveyed.

Mr. Peczkowski asked if 4201 doesn't fit into the plan, whether we might be ceding a full property to Caroline Partners. Mr. Inks responded that we didn't acquire any properties that weren't needed significantly for the right-of-way for this project. But as the crossover cuts through them it creates unusable portions of property. The only use is to the adjoining landowner. Caroline Partners is the predominant owner of land in this area.

Mr. Peczkowski, referring to a map of the parcels the staff had provided, asked if all the parcels shown would become Commission property. Mr. Inks responded that it would not. We're going purchasing any further south than 4309 (or 4336?). 4223 sits close to the heart of what we've acquired, so there will be some remainder. We don't think it's a lot, but we don't know the exact lines yet until we get the final engineering drawings.

Mr. Downes made a motion to approve Resolution No. 2373 approving and

COMMISSION APPROVED RESOLUTION No. 2373
APPROVING AND ACCEPTING A COUNTER OFFER
FOR THE ACQUISITION OF PROPERTY IN THE

6. NEW BUSINESS (CONT.)

SOUTH SIDE DEVELOPMENT AREA.

D. South Side Development Area

(1) continued...

accepting a counter offer from Caroline Partners LLC for the acquisition of property in the South Side Development Area. Mr. Blake seconded the motion. The motion carried on a vote of four in favor. Mr. Peczkowski abstained.

E. Northeast Neighborhood Development Area

There was no business in the Northeast Neighborhood Development Area.

F. Douglas Road Economic Development Area

There was no business in the Douglas Road Economic Development Area.

G. Other

(1) Commission approval requested for Agreement for Programs and Services with Urban Enterprise Association of South Bend, Inc. (Western Ave. Façade Matching Grant program)

Mr. Inks noted that the next five documents are all similar. They are agreements with various non-profit agencies to run the corridor façade matching grant programs. The terms of each agreement allow the non-profit to grant up to 60% of the cost of the façade improvement. The maximum grant is generally \$20,000. The purpose is to complete a noticeable improvement to the corridor, consistent with the revitalization action plan for that corridor.

6. NEW BUSINESS (CONT.)

G. Other

(1) continued...

To be eligible, the properties must have the proper insurance and be current on their property taxes. They need estimates from at least two licensed contractors for the work to be performed. And, before any work is commenced, the appropriate permits must be obtained. Each contractor employed on the project must submit a certificate of liability insurance. No funds can be disbursed for a grant unless they are pursuant to a written contract, so each individual façade grant will have its own contract. And the applicant must agree to hold the City of South Bend harmless and indemnify the city. There is also a listing of improvements that are ineligible for the grants.

The program terms for each corridor are the same, except that for the Western Avenue program there is a provision that in certain cases the grant can exceed \$20,000.

The agreement with the Urban Enterprise Association (UEA) for the Western Avenue program is for \$110,000.

Mr. Peczkowski asked how much experience the Urban Enterprise Association has with the façade grant program. Is this the first time or do they have a track history with it? Mr. Inks responded that this is new. At the last Commission meeting we were looking at establishing some Urban Renewal Areas for Miami St., Mishawaka, Ave. Those plans have been put on hold. Mr. Inks reminded the Commissioners of his explanation at that

6. NEW BUSINESS (CONT.)

G. Other

(1) continued...

meeting that the corridor programs needed to be run as part of an economic development area, a redevelopment area, an urban renewal area or have an eligible neighborhood development corporation offer the program. Subsequent to that meeting it was determined by the UEA's legal counsel that they qualified as a neighborhood development corporation and could offer this program on Miami St, Mishawaka Ave., and Western Ave. It seemed easier to have the UEA function as a neighborhood development corporation and run these three programs than to establish urban renewal areas for two of them. We may revisit the potential of establishing urban renewal areas in order to run some of the other corridor programs, but we're not ready to decide that yet.

Mr. Peczkowski indicated he didn't have a problem with the ends; but may have with the means. He noticed that Lee Slavinkas signed for the UEA and asked his relationship to the UEA. Mr. Inks responded that Mr. Slavinkas is President of the UEA board. Mr. Peczkowski asked if he had some other public office before. Mr. Inks responded that he was a Common Council member many years ago.

Ms. Meyer, Director of Community Development, who will be administering the program stated that, although these contracts with the Redevelopment Commission are new, the UEA has served the city by looking at the Western Avenue Commercial Corridor

6. NEW BUSINESS (CONT.)

G. Other

(1) continued...

since the corridor program's inception in 1998. During that time the UEA administered grant programs for Western Avenue.

Mr. Peczkowski commented that the UEA, then, has no expertise yet in running grant programs for the Miami St. and Mishawaka Ave. corridors. Ms. Meyer disagreed. The UEA is a board of people that has been operating for twenty-plus years. Every corridor group has a committee representative of the businesses and the residents on those corridors. They are the group that creates their recommendations and proposals to the city for the kinds of programs they want. So, the fact that each of these corridors is requesting the façade matching grant comes directly from the corridors. One of the UEA's requirements always has been that any project coming forward to them has to have the generalized approval or recommendation from those corridors before it would approve them.

Mr. Peczkowski asked for a list of board members of the UEA. Ms. Meyer said that would be provided. The UEA is a non-profit public entity like the Redevelopment Commission.

Mr. King made a motion to approve the Agreement for Programs and Services with Urban Enterprise Association of South Bend, Inc. (Western Ave. Façade Matching Grant program) Mr. Downes seconded the motion.

COMMISSION APPROVED THE AGREEMENT FOR PROGRAMS AND SERVICES WITH THE URBAN ENTERPRISE ASSOCIATION OF SOUTH BEND, INC. FOR THE WESTERN AVE. FAÇADE MATCHING GRANT PROGRAM

6. NEW BUSINESS (CONT.)

G. Other

(1) continued...

The motion passed with a vote of four in favor. Mr. Peczkowski abstained.

(2) Commission approval requested for Agreement for programs and services with Urban Enterprise Association of South Bend, Inc. (Miami Corridor Façade Matching Grant program)

Mr. King made a motion to approve the Agreement for Programs and Services with Urban Enterprise Association of South Bend, Inc. (Miami Corridor Façade Matching Grant program) Mr. Downes seconded the motion. The motion passed with a vote of four in favor. Mr. Peczkowski abstained

COMMISSION APPROVED THE AGREEMENT FOR PROGRAMS AND SERVICES WITH THE URBAN ENTERPRISE ASSOCIATION OF SOUTH BEND, INC. FOR THE MIAMI CORRIDOR FAÇADE MATCHING GRANT PROGRAM

(3) Commission approval requested for Agreement for programs and services with Urban Enterprise Association of South Bend, Inc. (Mishawaka Ave. Façade Matching Grant program)

Mr. King made a motion to approve the Agreement for Programs and Services with Urban Enterprise Association of South Bend, Inc. (Mishawaka Ave. Façade Matching Grant program) Mr. Downes seconded the motion. The motion passed with a vote of four in favor. Mr. Peczkowski abstained

COMMISSION APPROVED THE AGREEMENT FOR PROGRAMS AND SERVICES WITH THE URBAN ENTERPRISE ASSOCIATION OF SOUTH BEND, INC. FOR THE MISHAWAKA AVE. FAÇADE MATCHING GRANT PROGRAM

(4) Commission approval requested for Agreement for programs and services with South Bend Heritage Foundation. (Lincolnway West Façade Matching Grant program)

6. NEW BUSINESS (CONT.)

G. Other

(4) continued...

Mr. Inks asked that this item be tabled. South Bend Heritage Foundation is still reviewing the terms of the agreement and has not signed it.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission tabled Item 6.G.(4) until the September 7, 2007 meeting.

ITEM 6.G.(4) TABLED

(5) **Commission approval requested for Agreement for programs and services with Near Northwest Neighborhood, Inc. (Portage Avenue Façade Matching Grant program)**

Mr. King made a motion to approve the Agreement for Programs and Services with Near Northwest Neighborhood Association (Portage Ave. Façade Matching Grant program) Mr. Downes seconded the motion. The motion passed with a vote of four in favor. Mr. Peczkowski abstained

COMMISSION APPROVED THE AGREEMENT FOR PROGRAMS AND SERVICES WITH THE NEAR NORTHWEST NEIGHBORHOOD ASSOCIATION FOR THE PORTAGE AVE. FAÇADE MATCHING GRANT PROGRAM

7. PROGRESS REPORTS

Mr. Inks referred to a report prepared by staff regarding the tax abatements approved at the August 3, 2007 meeting. The new investment those tax abatements represented was between \$12,000,000 and \$18,000,000. Those abatements represented between 42 and 72 new jobs with payroll averaging between \$1,000,000 and \$2,000,000. The firms getting tax abatement have over 560 jobs that will remain in the community with payrolls in excess of \$25,000,000. When the projects are presented individually, they are significant projects,

PROGRESS REPORTS

7. PROGRESS REPORTS (CONT.)

but the cumulative effect is huge. There was a lot of new business development represented in those abatements at the last meeting.

Mr. Peczkowski stated that he believed a lot of those projects would have happened even without abatement. He believes the abatements are frosting added to an already baked cake.

Mr. Inks reminded the Commissioners of a news conference later today at KeyBank Plaza regarding the Downtown Development Strategy.

Mr. Blake asked legal counsel for an opinion on Mr. Peczkowski's assertion that it was illegal, unethical or immoral for the Commissioners to speak with Mr. Doolittle outside of the Commission meeting. Mr. Leone responded that there are two roles of boards and commissions: either judicial or legislative. When acting in a judicial capacity a commission should not have outside conversation about an issue over which they will have jurisdiction. When acting in a legislative capacity (projects or policy) it is entirely appropriate to get information from anywhere. It's up to each commissioner to decide to what level he or she want to accept that information.

Mr. Peczkowski stated that that is where the moral component comes in.

Mr. Downes stated that it is an individual preference, not dictated by anyone else. Mr. Leone agreed. He compared it to the way legislators get information on topics they will vote on.

Mr. Blake stated that he believes that if Commissioners are going to serve the public, they can do it from someplace other than the actual public meeting. They need to be permitted to talk to anyone who has information they might need to make a wise decision.

7. PROGRESS REPORTS (CONT.)

The public needs access to its legislators.

Mr. Peczkowski stated that by doing so, Commissioners were circumventing the public input on the process by having private meetings with the developer to the exclusion of documentation.

Mr. Downes noted that that is Mr. Peczkowski's opinion. He does not agree.

Mr. King referred back to the tax abatement report provided by Mr. Inks. He asked that it become a regular report. He also asked for a report on what action the Council takes on the Commission's recommendation. Mr. Inks said that will be included in future reports. He noted that the Council has not, to his knowledge, ever refused a tax abatement when the Commission's recommendation was in favor.

8. NEXT COMMISSION MEETING

The next meeting of the Redevelopment Commission is scheduled for Friday, September 7, 2007 at 10:00 a.m.

NEXT COMMISSION MEETING

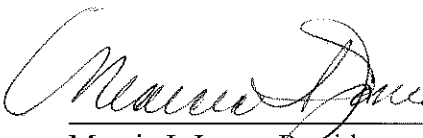
9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. Downes made a motion that the meeting be adjourned. Mr. King seconded the motion and the meeting was adjourned at 11:08 a.m.

ADJOURNMENT



Donald E. Inks, Director



Marcia I. Jones, President

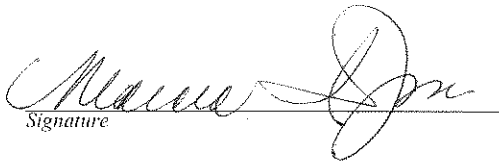
South Bend Redevelopment Commission
Regular Meeting –August 17, 2007

EXECUTIVE SESSION

August 17, 2007

The South Bend Redevelopment Commission met in Executive Session on Friday, August 17, 2007 at 9:15 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D). Commissioner's Present: Marcia Jones, President; Karl King, Vice President; Greg Downes, Secretary; Hardie Blake, and Ken Peczkowski. Others Present: Jeff Gibney, Executive Director, Community & Economic Development, Don Inks, Director, Economic Development, Attorney Charles Leone, Nick Witwer, Andy Laurent, Jennifer Laurent, Robert Mathia and Catherine Fanello. The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 10:00 a.m.

**CITY OF SOUTH BEND,
DEPARTMENT OF REDEVELOPMENT**



Signature

Printed Name and Title

South Bend Redevelopment Commission